

Companion Animal Alliance

Baton Rouge, Louisiana

*Financial Statements
and Supplementary Information*

Years Ended December 31, 2013 and 2012

William D. Mercer, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

CONTENTS

	<u>Page</u>
Independent Auditor's Report	3 – 4
Statements of Financial Position	5 – 6
Statements of Revenues and Expenses and Changes in Net Assets	7 – 8
Statements of Cash Flows	9
Notes to the Financial Statements	10 – 17
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	18 – 19
Supplementary Information:	
Schedule of Findings and Questioned Costs	21
Auditor's Comments on Audit Resolution Matters	22
Schedules of Functional Expenses	23 – 24



WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING
CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Companion Animal Alliance
Baton Rouge, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Companion Animal Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Companion Animal Alliance as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise Companion Animal Alliance's basic financial statements. The schedules of functional expenses on pages 23-24 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of functional expenses on pages 23-24 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of functional expenses on pages 23-24 are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 15, 2014, on my consideration of Companion Animal Alliance's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Companion Animal Alliance's internal control over financial reporting and compliance.

WILLIAM J. MERCER, CPA (APAC)

Baton Rouge, Louisiana
July 15, 2014

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
CURRENT:		
Cash and cash equivalents	\$ 104,384	\$ 56,384
Prepaid expenses	<u>14,906</u>	<u>15,818</u>
Total Current Assets	<u>119,290</u>	<u>72,202</u>
PROPERTY AND EQUIPMENT:		
Building improvements	9,214	9,214
Equipment and furniture	<u>53,125</u>	<u>51,772</u>
	62,339	60,986
Less accumulated depreciation	<u>47,120</u>	<u>27,821</u>
Net Property and Equipment	<u>15,219</u>	<u>33,165</u>
TOTAL ASSETS	\$ <u>134,509</u>	\$ <u>105,367</u>

The accompanying notes are an integral part of these financial statements.

	<u>2013</u>	<u>2012</u>
<u>LIABILITIES</u>		
CURRENT:		
Accounts payable and accrued expenses	\$ <u>73,258</u>	\$ <u>51,879</u>
 TOTAL LIABILITIES (all current)	 <u>73,258</u>	 <u>51,879</u>
 <u>NET ASSETS</u>		
Permanently restricted	-	-
Temporarily restricted	179,982	132,351
Unrestricted	(<u>118,731</u>)	(<u>78,863</u>)
 TOTAL NET ASSETS	 <u>61,251</u>	 <u>53,488</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>134,509</u></u>	 \$ <u><u>105,367</u></u>

The accompanying notes are an integral part of these financial statements.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Year Ended December 31, 2013

	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Totals</u>
REVENUES:			
Contributed support	\$ 68,140	\$ 562,959	\$ 631,099
Earned revenues:			
Governmental contracts and fees	-	573,770	573,770
Adoption and other revenues	80	169,378	169,458
Investment income	2	10	12
Net assets released from restrictions	(<u>20,591</u>)	<u>20,591</u>	<u>-</u>
Total Revenues	<u>47,631</u>	<u>1,326,708</u>	<u>1,374,339</u>
EXPENSES:			
Program services	-	1,030,429	1,030,429
Supporting services:			
Management services	-	256,279	256,279
Fundraising	<u>-</u>	<u>79,868</u>	<u>79,868</u>
Total Expenses	<u>-</u>	<u>1,366,576</u>	<u>1,366,576</u>
Change in net assets	47,631	(39,868)	7,763
NET ASSETS, beginning of year	<u>132,351</u>	(<u>78,863</u>)	<u>53,488</u>
NET ASSETS, end of year	\$ <u><u>179,982</u></u>	\$(<u><u>118,731</u></u>)	\$ <u><u>61,251</u></u>

The accompanying notes are an integral part of these financial statements.

Year Ended December 31, 2012

	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Totals</u>
REVENUES:			
Contributed support	\$ 37,442	\$ 566,989	\$ 604,431
Earned revenues:			
Governmental contracts and fees	-	459,970	459,970
Adoption and other revenues	-	176,563	176,563
Investment income	37	436	473
Net assets released from restrictions	(<u>10,344</u>)	<u>10,344</u>	<u>-</u>
Total Revenues	<u>27,135</u>	<u>1,214,302</u>	<u>1,241,437</u>
EXPENSES:			
Program services	-	983,199	983,199
Supporting services:			
Management services	-	266,561	266,561
Fundraising	<u>-</u>	<u>73,355</u>	<u>73,355</u>
Total Expenses	<u>-</u>	<u>1,323,115</u>	<u>1,323,115</u>
Change in net assets	27,135	(108,813)	(81,678)
NET ASSETS, beginning of year	<u>105,216</u>	<u>29,950</u>	<u>135,166</u>
NET ASSETS, end of year	\$ <u><u>132,351</u></u>	\$ (<u><u>78,863</u></u>)	\$ <u><u>53,488</u></u>

The accompanying notes are an integral part of these financial statements.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

Years Ended December 31,

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers, donors and government agencies	\$ 1,218,747	\$ 1,087,295
Interest and dividends received	12	473
Cash paid to suppliers and employees	(<u>1,169,406</u>)	(<u>1,161,459</u>)
Net cash used by operating activities	<u>49,353</u>	(<u>73,691</u>)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash payments for purchase of property and equipment	(<u>1,353</u>)	(<u>9,214</u>)
NET INCREASE (DECREASE) IN CASH	48,000	(82,905)
CASH AND CASH EQUIVALENTS, beginning of year	<u>56,384</u>	<u>139,289</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>104,384</u></u>	\$ <u><u>56,384</u></u>

The accompanying notes are an integral part of these financial statements.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Companion Animal Alliance (the Organization) is a nonprofit organization committed to reducing the number of animals entering the animal shelter, treating animals humanely while they are in the shelter's care, and to finding homes for animals, returning lost animals to their families while finding foster care and permanent homes for other dogs and cats.

Method of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Significant estimates included in or affecting the presentation of the accompanying financial statements include estimated useful lives of property and equipment.

Cash and cash equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property and equipment

All property and equipment is stated at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Major expenditures for renewals and betterments are capitalized.

As a general rule, when items are retired or otherwise disposed, accumulated depreciation is reduced by the accumulated amount of depreciation applicable thereto. Any gain or loss from such retirement or disposal is credited or charged to income in the year of the disposal.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and amortization

Depreciation is computed on the straight-line method over the estimated useful lives of the various classes of depreciable assets, ranging from five to seven years.

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Organization periodically reviews these lives relative to physical factors, economic factors, and industry trends. If there are changes in the planned use of property and equipment or if technological changes occur more rapidly than anticipated, the useful lives assigned to those assets may be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods.

Revenue recognition

The Organization reports contributions as restricted support if they are received with donor or grantor restrictions that limit the use of the contributions. When a restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions are considered to be available for unrestricted use and recorded as such, unless specifically restricted by the donor.

Revenues from government agency contracts and fees are recognized in the period in which the Organization provides the service.

Advertising

The Organization expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of December 31, 2013 and 2012, the Organization had no advertising classified as assets, and all advertising was expensed as incurred.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Functional allocation of expenses

The costs of providing programs have been summarized on functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Subsequent events

In preparing the accompanying financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through June 27, 2014, the date the financial statements were available to be issued.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2013 and 2012, were as follows:

	<u>2013</u>	<u>2012</u>
Cash on hand	\$ -	\$ -
Cash in bank – checking / savings	4,775	793
Cash in bank – money market	<u>99,609</u>	<u>55,591</u>
	\$ <u>104,384</u>	\$ <u>56,384</u>

As of December 31, 2013 and 2012, the Organization's money market funds were being held by Baton Rouge Area Foundation, a non-profit organization located in Baton Rouge, Louisiana, who allows nonprofit organizations to set up funds for their own benefit. Baton Rouge Area Foundation serves as an agent on behalf of the nonprofit organization.

NOTE C – LEASE COMMITMENTS

The Company utilizes office and shelter facilities provided to it under a cooperative endeavor agreement with the City of Baton Rouge/Parish of East Baton Rouge.. This agreement does not require any payment of rent or utilities, which are borne by the City/Parish. The estimated fair value of the occupancy expense under this agreement was \$ 95,580 and \$ 93,669 for the years ended December 31, 2013 and 2012, respectively. This amount of donated facility costs is included as a component of unrestricted revenues and expenses in the accompanying financial statements.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE D – CONTRIBUTED SUPPORT

The Organization utilizes certain accounting and other professional services provided by Baton Rouge Area Foundation. The value of these services for the years ended December 31, 2013 and 2012, was estimated at \$ 60,000, which is included as a component of unrestricted revenues and expenses in the accompanying financial statements.

NOTE E – SUPPLEMENTARY CASH FLOW INFORMATION

Cash payments for interest and income taxes for the years ended December 31, 2013 and 2012, were as follows:

	<u>2013</u>	<u>2012</u>
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

Noncash investing and financing activities for the years ended December 31, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Use of City/Parish shelter facilities and related utility costs	\$ 95,580	\$ 93,669
Utilization of Baton Rouge Area Foundation accounting and professional services	60,000	60,000

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE E – SUPPLEMENTARY CASH FLOW INFORMATION (continued)

A reconciliation of changes in net assets to net cash provided by operating activities for the years ended December 31, 2013 and 2012, is as follows:

	<u>2013</u>	<u>2012</u>
Change in net assets	\$ 7,763	\$(81,678)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	19,297	18,701
(Increase) decrease in prepaid expenses	912	(859)
Increase (decrease) in accounts payable and accrued expenses	<u>21,381</u>	<u>(9,855)</u>
Net cash provided (used) by operating activities	\$ <u>49,353</u>	\$(<u>73,691</u>)

NOTE F – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2013 and 2012, the Organization received donations totaling \$144,848 and \$150,544, respectively, from related parties, including donor advised funds. Such donations are included in the accompanying financial statements as a component of contributed support.

As of December 31, 2013 and 2012, the Organization had no receivables from or liabilities to related parties. Additionally, the Organization recognized no other revenues or expenses to or from related parties for the years ended December 31, 2013 and 2012.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE G – SIGNIFICANT CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and contract revenues.

The Organization maintains its cash account in a checking account at a commercial bank located in Louisiana. Accounts at this bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts on deposit at various times throughout the year may exceed the federally insured limit. As of December 31, 2013, the Organization had no uninsured cash balances. Additionally, the Organization's funds held in money market accounts totaling \$ 99,609 at December 31, 2013, are held by Baton Rouge Area Foundation.

The Organization receives a significant portion of its support under a cooperative endeavor agreement with the City of Baton Rouge/Parish of East Baton Rouge. A reduction in the amount of support and revenue provided under this agreement, should this occur, could have a significant impact on the Organization's ability to carry out its activities and support services at current levels.

NOTE H – COMMITMENTS AND CONTINGENCIES

In June 2013, a lawsuit was filed against the Organization by a former veterinarian employee, alleging termination in violation of Louisiana's Whistleblower Protection Act, for allegedly opposing illegal conditions at the shelter, liability for penalty wages pursuant to Louisiana's Wage Payment statutes, and intentionally inflicted emotional distress. In connection with these claims, the plaintiff seeks damages, penalty wages, costs, attorney's fees, and legal interest. The Organization believes the plaintiff's claims are unfounded and plans to vigorously defend against those claims. As of the issuance of the accompanying financial statements, there has been a \$150,000 demand. Limited discovery has been undertaken due to attempts to resolve the matter and, therefore, the merits of this claim have not been determined.



WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING
CORPORATION

AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Companion Animal Alliance
Baton Rouge, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Companion Animal Alliance, which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued my report thereon dated July 15, 2014.

Internal Control over Financial Reporting

In planning and performing my audits of the financial statements, I considered Companion Animal Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the effectiveness of Companion Animal Alliance's internal control. Accordingly, I do not express an opinion on the effectiveness of Companion Animal Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audits I did not identify any deficiencies in internal control that I consider to material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Companion Animal Alliance's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audits, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2013-1.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WILLIAM J. MERGER, CPA (CAPAC)

Baton Rouge, Louisiana
July 15, 2014

SUPPLEMENTARY INFORMATION

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

FINDING NO. 13-1 – AUDIT REPORT

Condition: The Organization did not submit audited financial statements to the Louisiana Legislative Auditor within the period prescribed by applicable regulations. The submission of this audit will meet the audit requirements.

Criteria: Audited financial statements should be submitted to the Louisiana Legislative Auditor within six months of the end of the organization's fiscal year (Louisiana R.S. 24:514).

Cause: The Organization was able to retain a qualified firm for the audit of its financial statements. However, the Organization's legal counsel did not timely provide information related to outstanding legal matters.

Effect: The Organization is responsible for compliance with financial statement reporting requirements and is not in compliance with those requirements.

Recommendation: The submission of these financial statements will satisfy the audit requirement for the year ended December 31, 2013. The Organization should make arrangements with an audit firm to perform the needed examinations in future years and to make sure that such services are scheduled in advance to ensure timely submission of future reports.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

AUDITOR'S COMMENTS ON AUDIT RESOLUTION MATTERS

There were no findings or questioned costs for the prior year ended December 31, 2012, noted in the auditor's report dated June 28, 2013.

COMPANION ANIMAL ALLIANCE
Baton Rouge, Louisiana

SCHEDULES OF FUNCTIONAL EXPENSES

Year Ended December 31, 2013

	<u>Program Services</u>	<u>Management Services</u>	<u>Fundraising</u>
Administrative fees	\$ -	\$ 2,397	\$ -
Adoption supplies	14,787	-	-
Auto and truck expense	7,006	-	-
Cleaning	41,266	-	-
Depreciation	14,473	3,859	965
Employee benefits	31,294	8,345	2,086
Food	37,987	-	-
Insurance	19,929	5,314	1,329
Kennel supplies	1,177	-	-
Medical supplies	169,430	-	-
Occupancy expense	71,685	19,116	4,779
Office expense	4,362	1,165	291
Payroll expenses	529,271	141,139	35,285
Postage and delivery	748	200	50
Printing and communications	1,170	-	4,908
Professional services	82,554	72,820	1,527
Puppy transport	281	75	19
Repairs and maintenance	187	50	12
Technology	2,201	587	147
Travel	<u>621</u>	<u>1,212</u>	<u>28,470</u>
Totals	\$ <u>1,030,429</u>	\$ <u>256,279</u>	\$ <u>79,868</u>

See auditor's report on supplementary information.

Year Ended December 31, 2012

	<u>Program Services</u>	<u>Management Services</u>	<u>Fundraising</u>
Administrative fees	\$ -	\$ 2,331	\$ -
Adoption supplies	3,811	-	-
Auto and truck expense	1,633	-	-
Cleaning	19,778	-	-
Depreciation	14,026	3,740	935
Employee benefits	26,702	7,121	1,780
Food	32,672	-	-
Insurance	18,957	5,055	1,264
Kennel supplies	77	-	-
Medical supplies	140,664	-	-
Occupancy expense	71,002	18,934	4,733
Office expense	5,149	1,373	343
Payroll expenses	519,284	138,476	34,619
Postage and delivery	79	21	5
Printing and communications	6,179	1,545	2,040
Professional services	117,025	65,366	1,341
Puppy transport	3,372	899	225
Repairs and maintenance	880	235	59
Technology	1,909	509	127
Travel	<u>-</u>	<u>20,956</u>	<u>25,884</u>
Totals	\$ <u>983,199</u>	\$ <u>266,561</u>	\$ <u>73,355</u>

See auditor's report on supplementary information.



Christel C. Slaughter PhD
Chair

August 12, 2014

Vera L. Olds
Vice Chair

Carole Lamar
Secretary

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2013

Andrew T. McMains
Treasurer

FINDING NO. 13-1 – AUDIT REPORT

Lisa Adamek

The Organization did not submit audited financial statements to the Legislative Auditor within the period prescribed by applicable regulations because our auditor was unable to obtain information related to outstanding legal matters from our attorneys.

S. Dennis Blunt

Louise Bruce

Contact Persons: Debbie Pickell, Board Member

Cathy Coates

Cathy Dardenne

Letters requesting written representation from our attorneys were mailed on June 16, 2014. Debbie Pickell emailed to request responses to our requests on June 26, 2014. Our attorneys were not able to respond to our requests until July 9, 2014.

Teri G. Fontenot

Carolyn E. Martin

Corrective Action: The necessary responses have been received by our auditor and the report has been completed. Future requests for written representation from our attorneys will stress that the response will be needed prior to the June 30th deadline.

M. Scott McKnight

Hon. W. Henson Moore

The Organization agrees with this finding.

Deborah D. Pickell

David Senior BVSc

Cathy Wells

Christel Slaughter
Chair

Beth Brewster
Executive Director